

FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
FED	\$0	\$701,100	\$0	- \$701,100	- 100.0%	\$0	N.A.
PR	<u>0</u>	<u>97,755,800</u>	<u>0</u>	<u>- 97,755,800</u>	<u>- 100.0</u>	<u>0</u>	<u>N.A.</u>
TOTAL	\$0	\$98,456,900	\$0	- \$98,456,900	- 100.0%	\$0	N.A.

FTE Position Summary					
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to:	
				Governor	2014-15 Base
FED	0.00	1.70	0.00	- 1.70	0.00
PR	<u>0.00</u>	<u>324.40</u>	<u>0.00</u>	<u>- 324.40</u>	<u>0.00</u>
TOTAL	0.00	326.10	0.00	- 326.10	0.00

Budget Change Items

1. CREATE DEPARTMENT OF FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$97,755,800	324.40	- \$97,755,800	- 324.40	\$0	0.00
FED	<u>701,100</u>	<u>1.70</u>	<u>- 701,100</u>	<u>- 1.70</u>	<u>0</u>	<u>0.00</u>
Total	\$98,456,900	326.10	- \$98,456,900	- 326.10	\$0	0.00

Governor: Provide \$32,610,000 PR, \$233,700 FED, 326.40 PR positions, and 1.70 FED positions in 2015-16 and \$65,145,800 PR, \$467,400 FED, 324.40 PR positions, and 1.70 FED positions in 2016-17 to create a Department of Financial Institutions and Professional Standards (DFIPS), effective on January 1, 2016 or the day after publication of the bill, whichever is later. The new agency would be responsible for all of the following:

a. The current functions of the Department of Safety and Professional Services, except for: (1) the private onsite wastewater treatment system grant program, which would be repealed, and the regulation of such systems, which would be transferred to the Department of Natural Resources; and (2) the regulation of veterinarians and veterinarian technicians and the Veterinary Examining Board, which would be transferred to the Department of Agriculture, Trade and Consumer Protection (DATCP).

b. All of the current functions of the Department of Financial Institutions.

c. The current functions of the Educational Approval Board, except for functions relating to consumer protection, which would be transferred to DATCP, and a number of functions related to the oversight of schools, courses, and the soliciting of students, which would be deleted.

d. The current responsibilities of the Department of Administration regarding the small business regulatory review board; the office of business development; and certification of disabled veteran-owned businesses, woman-owned businesses, and minority businesses for procurement purposes.

e. The current responsibilities of the Department of Health Services regarding the regulation of body piercing, tattooing, and tanning.

Provide that on January 1, 2016, or the day after publication of the bill, whichever is later, the assets and liabilities, positions and incumbent employees, tangible personal property, pending matters, contracts, rules and orders, and credential fees primarily related to the above agencies and programs would be transferred to DFIPS. Transferred employees would have the same rights and the same status in the new agency as they enjoyed in the existing agencies immediately before the transfer, and no transferred employee who has attained permanent status in class would be required to serve a probationary period.

The administration estimates that merging the existing agencies into DFIPS would result in reduced appropriations of \$2,001,800 (\$197,000 GPR, \$1,674,300 PR, and \$130,500 FED) in 2015-16 and \$2,909,300 (\$393,800 GPR, \$2,254,900 PR and \$260,600 FED) in 2016-17. Total positions would be reduced by 39.26 FTE per year (4.00 GPR, 31.06 PR, and 4.20 FED). Of the eliminated positions, 27.76 FTE have been vacant for at least six months.

The bill would create 27.0 unclassified positions in DFIPS, an increase of 3.0 over the number in the existing agencies.

Joint Finance: Delete provision.

2. DFIPS LAPSE REQUIREMENT

Governor: Specify that the 2013 Act 145 requirement that the Department of Financial Institutions and Professional Standards lapse \$8,666,400 (representing the combined lapse amounts from the Department of Financial Institutions and the Department of Safety and Professional Services) to the general fund from the unencumbered balances of GPR and PR

appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

Joint Finance: Delete the proposal to create DFIPS. Instead, require the Department of Safety and Professional Services to lapse \$6,232,000 in 2015-16 and 2016-17 and require the Department of Financial Institutions to lapse \$2,434,400 in each of those years.